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DEPT FOR EAP AND ISN/MTR JAMES MAYES

E.O. 12958: DECL: 05/18/2017

TAGS: MTCRE PARM PREL ETTC KS IR

SUBJECT: (S) ROK RESPONSE: EFFORTS BY IRAN'S MISSILE  
PROGRAM TO PROCURE SOUTH KOREAN MACHINE TOOLS

REF: STATE 58225

Classified By: POL M/C Joseph Y. Yun. Reasons 1.4 (b,d).

¶1. This is an action request. Post requests that Department provide information requested by the ROKG in para 3.

¶2. (S) Kim Jae-woo, Deputy Director of the Disarmament and Nonproliferation Division of the Ministry of Foreign Affairs and Trade (MOFAT), told poloff that Insung International Corporation had submitted an export license application to the Ministry of Commerce, Industry, and Energy (MOCIE), but that the application had been returned to the company for insufficient documentation. Kim said that MOCIE did not review the substance of the incomplete license application, but expects that Insung will submit a second application soon. Kim noted that MOCIE's initial reaction to the nonpaper provided was that the machine tools in question do not fall within the list of strategic items that cannot be exported, but may be considered under the "catch-all" item list.

¶3. (S) Kim said that once Insung submits the second application, MOCIE will request that the ROK Embassy in Tehran conduct an end-use investigation. However, due to limited manpower in Iran, the ROKG requests that the United States provide as much information as possible to target the end-use investigation. Kim passed along MOCIE's request for the following:

- information on the end-user (Ghavifekr Technical and Industrial Group): Is it under normal operation? What are their main manufacturing products and business projects? What are their major lines of business?
- information on the intended end-use of the items mentioned and the specific reasons for importation (replacement of deteriorated parts, additional installation for business expansion, etc.)
- information on the business relationship between the end-user and Shaid Bakeri Industrial Group
- information on the business relationship between the end-user and Kalayab Kar Import-Export Co. Ltd.

¶4. (C) Kim also added that in this instance, as in the multiple previous U.S. requests to block export licenses, the ROKG could much more easily comply with the request if the United States were to add the company(ies) in question to their nonproliferation "watchlist." As it stands, any request to apply the "catch-all" list to potential Korean companies' exports is very difficult to accomplish, Kim said.

VERSHBOW